From: dan price <danprice21703@yahoo.com>
Sent: Tuesday, February 16, 2010 12:52 AM
To: secretary <secretary@CFTC.gov>
Subject: Re: Regulation of Retail Forex

I wish to add to this letter of comment.

It is in relation to my assertion that our financial services industry has engaged in practices to enrich themselves with hideous profits at the expense of their customers. I contend the reason financial services companies are so opposed to 100:1 leverage is that the average person can figure out that they will pay less to the market makers and their brokers in the pursuit of gains. Forex investment competes with all other products offered by financial services industries, so they are keen on limiting individual access to these markets.

These same companies are engaged in writing options which 'protect' the individual investor against the ravages of the market. Offering this service comes at a fee (three fees instead of one). Have you heard of the 'commonplace' wall street adage that if dealer is to sell a far out of the money put the dealers simply goes buy a mercedes? Why? Because the profits from constructing these no risk (no risk to the underwriter) instruments is monumental. (all risk of options is borne by the market) And to create more, simply press your computer key ... Simple no cost for product, no risk and unlimited sales. Theoretically unlimited profits and no work whatsoever other than programming the computer in the first place. A socialist might say that creation of options should be a government function.

Well one could simply say competition will keep prices in line. However these same firms are set on limiting the access of companies to write options in an effort to 'protect' the system from risks. I wonder of the bar is not set sufficiently high that few firms can compete, then if only a few firms can compete, is there competition? Or are firms who do not tow the pricing line punished somehow?

I do not know the answers to these questions. I also do not know if these are valid questions. I do know that I am more than a little bit jaded about how the systems are set up to guarantee high profits to financial 'service' firms while individual investors are saddled with high fees.

Ever wonder that investors may flock to Forex not just because the leverage offers the potential for real profits from trading but that the structure of the marketplace allows very low cost transactions? Now the very firms that benefit the most from onerous regulation of Forex markets are at your door pleading for the opportunity to 'serve' the individual investor by 'protecting' this investor from the ravages of the lowest cost financial trading instrument on the planet. I ask you to answer, whom are these firms protecting?

I would also conjecture that low cost Forex trading is in our national interest. Why? because individual investors are the heart of innovation and these investors if winning money in the gunslinging Forex market will likely invest their winnings here in the US in other ways. This as opposed to the financial services firms living in Manhattan who are more likely to spend $$ on fine foods and other items that do not contribute to our overall wealth over the long term.

I know my arguments are infantile compared to those of the well monied financial services firms. I also know that by putting my words out early it will allow these companies to tailor their responses. I do not fear this. Why? Because if you believe that free, low cost markets are good for the U.S. then you will immediately believe my statements to represent common sense wisdom.

Good luck with all this and I do hope that the CFTC has undertaken a study of these endeavors with the intent to protect the individual investors from charlatans, liars, cheats and robbers with high fees .... Not just from the charlatans and liars at the expense of high fees.

Dan Price

----- Original Message ----
From: dan price <danprice21703@yahoo.com>
To: secretary@cftc.gov
Sent: Fri, February 12, 2010 5:56:39 PM
Subject: Regulation of Retail Forex

RIN 3038-AC61

I am writing in opposition to a 10:1 leverage limit for all retail investors. I am not against the other proposed rules such as registration and capital requirements.

Part
of the benefits of the internet is to allow retail investors the same access to markets as the big players. Certainly you will hear from large players who engage in high leverage for their firm, but have figured out it will be better for their bottom line if small players to become part of the club. But will you hear from small retail traders who are not hurt by the current rule and use them to their advantage?

I
write modestly from the perspective of one of these small traders who understands that we can buy options. However if I place a currency trade I can place a limit trade and I do not have to pay the guaranteed

profit to my dealer. He only makes money if the market wiggles. This way I am making the markets work for me, not solely my dealer. This is one reason current options trading firms will want to have you limit the leverage for Forex. The other reasons is the insane profits involved being the house and creating options out of thin air.

I write asking you to think this through from the perspective of a small investor who may not be protected by the 10:1 rule. Would it be reasonable that a person who has placed a certain number of trades or certain number of years? or certain size of account? that would not be protected by a 10:1 rule? Or would some type of very extensive education requirement help? Not the boilerplate and quick weekend seminars, but possibly some accredited university courses that included tests, labs etc.?

I am merely asking you overall
to think about this from a perspective of someone who may not be harmed if they were given equal access to markets as Goldman Sachs, AIG or Warren Buffet. There must be a reasonable way for a small businessman(woman) to open a small fledgling trading business trading their own account and make some money for the dinner table. I do fear that the 10:1 rule is intended to stop people from doing this or to force them to buy expensive options in the process.

I wish to further point out how the options/stock marketplaces are not protecting retail traders and are enriching wholesale traders or market makers.

I recognize in this discussion that if the bar to achieve professional versus retail trader status were to be set reasonable that the comments below would become mute. I understand that there will be wide divergence of opinion on what a 'retail' versus a professional trader may be. However I think that considering the risk of the Forex market and the potential rewards to our country of having capable people play this market that we should consider this point very carefully. Afterall retail traders that make money also pay taxes ... So for the treasury we should promote 500:1 leverage.

I am not intending to insult you with basic information. However I wish to compare current Forex markets with stocks in the illustration. I will for the moment not address options which by the way have higher transaction costs than stocks.

Stock investors must contend with two elements of cost. And one element of capital utilization. The costs are commissions and spreads. Commissions are paid by options traders, stock investors and futures traders, but not Forex traders. Spreads are also a cost and are set by the market makers and in cases of electronic trading platforms in recent years set by those with advance (mili-second) knowledge of market positions. 'Retail Traders' (or shall we call them sheep) are stuck with paying these costs in advance of any order.

Forex traders however only needs to consider spreads. Simply open up two websites simultaneously and a reasonable approximate of spreads can be estimated. That is a 'retail' trader can easily compare these prices. This same retail trader is only hit with this one price, not two prices, that of commissions and spreads. (if you were to use this same test in stocks it would not hold as well) A Forex trader can additionally have the market pay the spreads by setting limit orders.

Forex traders also have access to high amounts of leverage. Leverage that I employ to provide protection of my interests. That is I use

leverage as a means to keep me in the game. I typically try to position no more than 10% of my portfolio while maintaining the other 90% as downside protection to take care of market wiggles. To do this with the proposed 'retail' protection limit of 10:1 would limit my gains to the point that I would not be able to 'play the game' anymore. It would not be a problem for me if the rule was that I had 100:1 leverage, but could only initiate trades at 10:1 leverage. It would also not be a problem if the house guaranteed that I could not loose any more than is in my account.

Options costs are even greater than stocks costs.
Options investment for retail traders involve commissions, spreads and options interest. Not only are there three ways to loose money there are three ways for market makers to make hideous profits from options.

Is it not surprising that the large trading houses are arguing that they are 'protecting' the 'retail' investor by forcing them to options?

What current proposed rules to limit low cost Forex markets to 10:1 leverage and not limit options leverages are going to do is to drive traders from a system that has one cost to that of a system that has 3 costs.

Now any small businessman knows that to watch and manage one cost is much easier than managing 3 costs. So what about a system that forces 3 costs on individual traders versus a system that used only one cost? Consider that a trader may be marginally profitable with 3 costs to bear, maybe they make a killing when only considering 1 cost. Might this trader also pay more US taxes?

Ever wonder why the allure of Forex? I suggest it is not just the leverage, but it is the lower cost structure. Not to say that leverage is not a great equalizer for the individual versus the trading houses.

I also wish to point out that most of the calls for 'protection' of the individual trader will come from the 'expert trading' houses which by the way loose out when an individual investor decides to use Forex at the exclusion of stock or futures investments. (Investments that are so layered with costs that individual traders are almost completely guaranteed to loose when day trading anyway.)

I also wish to point out that these large institutions will point out now low currency options costs are. Will these options be so low priced if 10:1 limits are imposed?

If this rule goes into effect I will have to seriously consider renouncing my citizenship in order to pursue my profession. Not a pleasant thought but the thought that I would have to live life without my primary income is not a contemplation I wish to undertake.

Dan Price

From: Phillip V. Duong <phillip.v.duong@gmail.com>
Sent: Tuesday, February 16, 2010 1:21 AM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

CFTC,

I've been trading the forex market for a little under 5 years. Recently, I got an email from my broker stating that the CFTC may be enacting new rules/regulations - some rules that may lower the leverage that new/existing accounts can trade with. Currently, I am used to 100:1 leverage; however, this new regulation (as my understanding) would lower this to 10:1.

Though, I do appreciate the CFTC enacting regulation to protect consumers, I feel that this will cause more harm to the average trader than good.

First, the leverage of 10:1 would "force" traders to open larger accounts in order to make sufficient income in this market. By lowering the leverage to such a small amount, an average trader would need an account 10 times as large. I am envisioning that new traders would start borrowing money from their family/relatives/friends to fund their account initially. In due time, 90% of new traders, will fail - losing that entire lump sum. I remember, in my early years of trading, I have "blown out" my account on several occasions. However, fortunately, they were small accounts.

Leverage is not the main factor that causes traders to lose money - it is more related to poor education, bad risk management, and lack of discipline. By allowing 100:1 leverage, a new trader can open up a $100-200 account and "test the waters." As a suggestion, you can enact new regulation that requires new traders to go through certain education or pass certain tests - I believe that would be helpful for novice traders.

Secondly, by lowering the leverage, most existing/experienced traders will migrate their account overseas - to brokers that do provide 100:1 leverage. Traders that are used to getting 100:1 leverage will not want to trade at 10:1 leverage and will find avenues to get the leverage they want. Unfortunately, if they do open accounts overseas, it provides them less protection since the CFTC can not regulate brokers in different countries; thus, the people that the CFTC wanted to protect - are now unprotected (hope that sentence made sense...).

I strongly believe that the CFTC should not lower the leverage for all traders. Perhaps, it can be a scale. New traders are forced to only have 10:1 leverage for their 1st trading year. Traders with 2-4 years experience can have 50:1. 4+ years can have 100:1. I just thought of this idea... I think this would work well.

If you want any additional input, let me know. Feel free to ask me anything you'd like. Thanks for your time!

Regards,

Phillip V. Duong

From: Patrick Foley <websuccessie@yahoo.co.uk>
Sent: Tuesday, February 16, 2010 1:35 AM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

RIN 3038-AC61

How is a 10:1 leverage suppose to help us? Aren't you suppose to provide a safe environment to trade in not kick us out of the game!?!?

This 10:1 cap is abusive and ridiculous. Why not let people decide what leverage to use?

From: elisabeth COnstantine <axk_Constantine3144@email-masking.com>
Sent: Tuesday, February 16, 2010 3:51 AM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

elisabeth COnstantine
Brookline MA, 02446
axk_Constantine3144@email-masking.com

From: Lourens Anderson <lapanderson@telkomsa.net>
Sent: Tuesday, February 16, 2010 8:52 AM
To: secretary <secretary@CFTC.gov>
Subject: Proposed reduction of leverage on Forex trading
Attach: AVG certification

Dear Sir/Madam

I would like to express my opposition to your proposed reduction in gearing to 10:1.

I am a full time currency trader and stock investor residing in South Africa. I use two USA brokers and one UK based broker for my currency trading.

Even though my brokers offer between 50: and 100:1 leverage, I have never exceeded 20:1 gearing, with my normal trades averaging about 5:1. The fact is that the size each of the trades I enter into is determined by my own very strict rules based on the amount of risk I am willing to take.

Every so often I will increase the trade sizes (and therefore higher gearing) when adding to a winning series of trades. At no time would my overall risk exceed a pre-determined percentage of my capital, but gearing could increase to a level higher than the proposed 10:1.

Your proposed reduction to a 10:1 level would inhibit my ability to profit from strong moves. Should the proposal be accepted, I would in all likelihood close my USA based accounts and move them to European brokers.

I feel a reduction to 10:1 leverage is excessive, but would personally support a reduction to 50:1 which would offer enough protection to traders needing protection against themselves, whilst allowing traders like myself the freedom to choose the appropriate level of risk we are willing to take on. In my view, a reduction in gearing to 10:1 would only result in tying up more capital in trader's accounts and therefore exposing more of their money to the risks of currency trading.

Yours sincerely

Lourens Anderson
Cape Town
+27 21 855 3002
+27 83 544 6898

From: postmaster@forex-tech.net
Sent: Tuesday, February 16, 2010 11:34 AM
To: Stawick, David <dstawick@CFTC.gov>
Cc: secretary <secretary@CFTC.gov>; Gensler, Gary <GGensler@CFTC.gov>; Bauer, Jennifer <JBauer@CFTC.gov>; Penner, William <WPenner@CFTC.gov>; Smith, Thomas J. <tsmith@CFTC.gov>; Cummings, Christopher W. <ccummings@CFTC.gov>; Sanchez, Peter <PSanchez@CFTC.gov>
Subject: RE: OPPOSE FOREX INTRODUCING BROKER (IB) PROPOSALS in RIN 3038-AC61

Thank you.

I should clarify that the *specific* provisions within your new proposed (forex) IB regulations that we are all objecting to is the limitation that we be **"caged"** to only one single Forex FCM/RFED/FDM at any given point. In the spirit of **NOT**-suffocating free-markets & open competition, we need to be free to choose any number of Brokers with whom we care to work at all times. (Once an IB has worked hard for 3 years to bring a book of 150 clients to one single broker, what - besides free & open competition - will stop an FX broker from exploiting our "stickiness" vulnerability?)

Other proposals (such as min net capital requirements) we have no objection to.

Thank you for your time & consideration.

FYI: Each night, we hope & prey that you will soon prove to us that you actually listen to those that you purport to serve & protect.

Best Regards,

Thomas Benedetti

Forex-Tech.net

Quoting "Stawick, David" :

> Disregard last message; I see this was submitted to the correct secretary's email address. Thank you.

From: postmaster@forex-tech.net [postmaster@forex-tech.net]
Sent: Thursday, February 11, 2010 6:55 PM
To: secretary; Gensler, Gary; Stawick, David; Smith, Thomas J.; Bauer, Jennifer; Penner, William; Cummings, Christopher W.; Sanchez, Peter
Subject: OPPOSE FOREX INTRODUCING BROKER (IB) PROPOSALS in RIN 3038-AC61

To whom it may concern at the CFTC:

I am wiring to inform you that (in addition to my strong opposition to your proposed restriction of FX leverage down to 10-1 (100-1 is already the appropriate level)) **I am fiercely opposed to your proposed restrictions on Forex IBs.**

While ANY reasonable FX trader and FX IB will admit that they are in favor of a strong and respected registration & regulatory framework, these specific Forex IB proposals will ultimately be very harmful to the end FX customer, to all FX IBs, and to the entire FX industry.

Here's why: ALL FX BROKERS ARE NOT THE SAME. IBs need to be free to direct their different customers, each with their differing needs, to the most appropriate FX Broker for them.

For just a few examples:

1. Some FX Brokers offer fixed bid/ask spread-widths while others offer dynamically-fluctuating bid/ask spread-widths. Each offers various pros/cons depending on the type of end-customer and when/how frequently they trade. (Ex: A trader who trades only after major news releases)
2. Some offer highly sophisticated charts, news, research tools, technical studies & analytics while others offer none at all. Depending on trading style, this may or may not be important to a customer. (Technical vs. flow vs. fundamental vs. discretionary traders)
3. Some FX Brokers offer platforms that are simple, fast and robust, while others are far more functional, advanced, complicated and feature-rich. High-volume traders prefer fast & easy. Long-term position traders may not.
4. Some FX brokers offer the METATrader programmable FX software, while others offer a different, custom-designed trading software depending on customer preference.
5. Some brokers offer an ECN-style open limit orderbook "self-trading" platform where customers can post their own bids & offers as price-MAKERS, while others require that customers trade as price-TAKERS only on their posted prices. Each offers significantly different advantages, depending on the type of end FX-customer. Scalpers for example might use an FX ECN. Beginners, however, might not be right for an ECN.
6. For those customers that are interested, some FX FDMs offer automated-trading via computer API (Programing Interface) while others don't at all. Of those that offer trading APIs, some are programmed in FIX protocol, others are JAVA, others are MQL, others C++, depending on client preference.
7. This list can continue until 100, but for brevity i will not drag on ...

VERY Importantly, some RFED's may be very poorly capitalized and financially unstable but

offer a highly competitive compensation package. Other FDMs or RFEDs may be better capitalized but offer a less generous compensation package for the IB. Since FX client funds are NOT segregated, confining or trapping the IB to one single Broker creates a VERY dangerous conflict of interest for the IB between serving his own financial interest or that of the customer.

Navigating the complex universe of FX trading - with all its different FDMs, FX FCMs, RFEDs and their various cons & advantages is no easy task. This is where the IB can intermediate and serve a VERY valuable function for both the clients and brokers by directing the right customers to the appropriate broker. BUT, as you can see, the IB can't be needs to be FREE to refer his customer (which presumably he knows intimately) to the most appropriate FX trading venue or broker FOR THAT SPECIFIC CUSTOMER's NEEDS. The end FX customer will be far more well-served this way, and the FX IB will not feel as though he is being constrained in his ability to both make an honest living and serve the interests of the customer.

In on-exchage Futures trading, IBs are able to work with any number of FCMs that they choose. Why are you treating OTC FX so differently?

PLEASE DO NOT IMPRISON OR CAGE FX IBs TO BE GUARANTEED BY JUST ONE SINGLE FX BROKER AT A TIME. THIS WOULD HAVE THE UNINTENDED EFFECT OF SEVERELY CONSTRAINING AND HINDERING THE IB's ABILITY TO EARN A LIVING AND WOULD GREATLY UNDERMINE THE INTERESTS OF THE END FX CUSTOMER. PLEASE ALLOW IBs THE OPTION TO WORK WITH AS MANY FX BROKERS AS THEY FEEL APPROPRIATE, SO THEY CAN BEST SERVE THEIR CUSTOMERS' INTERESTS.

With Great Respect,

Thomas Benedetti

Forex-Tech.net

From: CALEB DEEDS <deeds.23@buckeyemail.osu.edu>
Sent: Tuesday, February 16, 2010 12:08 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

Secretary,

There are many valid reasons that regulation such as this proposal will hurt the economy and the average individual trader rather than help. This proposal assumes that traders are not using leverage properly. Having leveraging capabilities isn't tantamount to over-leveraging one's positions, and this is what the proposal is failing to recognize; instead, leverage merely allows a trader to exercise exact risk management in relation to the size of their positions. For instance, if a trader wished to risk only 1% of their total capital per position, they would use leverage to determine the amount that they are willing to risk per pip, based on the size of thier stop loss. Having leveraging capabilities allows a trader to dynamically adjust the size of their stop, so as to accommodate the current volatility levels of the market, while still maintaining a fixed position risk, regardless of whether they are risking 10 pips or 1000 pips. Consequently, not having such leverage available will likely negatively impact traders who are using appropriate risk management. Reducing the leverage means that you will have less available margin for active positions, even if you are risking the same amount in both scenarios. This means that such traders are more likely to experience a margin call, assuming a consistent position risk, if the leveraging allowances were to be reduced. Essentially, traders who are currently already using proper risk management will begin to experience margin calls on top of the inexperienced traders who misuse leverage leading to an increase in margin calls instead of the supposed decrease implicitly implicated in the proposal. Individual retail traders would have to largely decrease their stop loss to accommodate the new margin requirements, which in turn, as I depicted would lead to a vast increase in margin calls because it does not change the volatility in the market. If anything, in order to protect individual traders from volatility in the market the leverage requirements should be decreased to around what it used to be, between 200:1 and 400:1. This kind of regulation will price individuals out of the largest market which moves $3 trillion in a single day, to offshore brokers with less stringent regulation.

What is most disturbing about this proposed regulation change is that it strays away from what the real cause of the financial crisis and economic meltdown really was. Retail Forex trading is not dangerous enough to precipitate this type of financial crisis. What is more prudent at this time is that the SEC and bank regulators wake up and execute their responsibilities as they are supposed because had they done so we wouldn't be in this mess. These regulators allowed all the major investment banks to underwrite sub-prime mortgage bonds on the basis that housing prices would go up in perpetuity. The only reason housing prices were able to reach astronomical levels was because of cheap money from the FED and speculation with it. Hence, I am not only opposed to this Regulation but rather advocate some level of deregulation in an effort to protect individual retail traders from being priced out of the market. I also encourage all regulators to focus on the true nature of the problem instead of looking for a scapegoat that will only exacerbate the current issues within the financial system as well as the economy as a whole.

Regards,

Caleb Deeds

From: Joseph Delaro <jdx41@qis.net>
Sent: Tuesday, February 16, 2010 12:40 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

Government is supposed to serve the people, not dictate against what's in their best interest.

Your 10-1 leverage proposal is absurd and would be detrimental to US traders and brokers.

Why not do something useful, and abolish yourself!

Joseph Delaro
Parkville MD, 21234
jdx41@qis.net

From: Jose Harvin <jharvin@bellsouth.net>
Sent: Tuesday, February 16, 2010 1:07 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation For Retail Forex

regarding- **RIN 3038-AC61**
Hi there,
As a retail investor I am requesting the 100:1 leverage remain.
This leverage allows less capitalized smaller traders enter the market. The key that the CFTC can implement is having borkers require new clients complete a risk management course to open an account. I only risk a percentage of my account on any given trade, so the amount of leverage used is never a burden to my account balance. Smaller leverage will force me to have to find more capital to tie up in a brokers account.
Again the current 100 to1 leverage allows for smaller less capitalized traders into the market. With lower leverage, we revert to allowing access to the big money only and taking control of our investments in currencies out of the small investors hands and forcing us to the will of large institutions.

Those are my thoughts.

From: LanneyH@aol.com
Sent: Tuesday, February 16, 2010 3:29 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

I am not opposed to regulation nor regulatory agencies. But that regulation needs to be **fair, transparent, and open to public input**. Otherwise it becomes corrupt and self-serving. Sure high leverage can get you into trouble if used thoughtlessly. Sure hedging when not done properly turns one loss into two. But I believe the cure is **EDUCATION**, not restricting what people can and cannot do with their investment decisions. Guide, don't dominate - government was intended to protect people and their property, not to limit their potential.

Thank you
Lanney Hulse
Marion, Ohio

RIN 3038-AC61

From: Bernard Simpson <bbsimpson86@gmail.com>
Sent: Tuesday, February 16, 2010 3:43 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

To David Stawick, Secretary,
Commodity Futures Trading Commission

Please **do not** reduce the leverage Forex traders current receive from 100 to 1 to 10 to 1 (ID# RIN 3038-AC61).

This will drive investment dollars overseas and will hurt the American economy.

Thank you for your attention to this matter.

Bernard Simpson.

From: Wilmer Carter <wc@kcweb.net>
Sent: Tuesday, February 16, 2010 4:09 PM
To: secretary <secretary@CFTC.gov>
Subject: Proposed Margin Changes to Retail Forex Trading
Attach: Max losing trades chart.pdf; Certification

Mr. David Stawick, Secretary

I am 68 years old and have been trading the forex markets for about a year. Because I have very limited funds to invest, the Forex market is the **ONLY** market that allows me can participate with any reasonable opportunity to be successful. I expect to be able to make double digit returns annually over the next few years. At least I have the potential to do it. It's up to me to educate myself and apply good money management. If I don't succeed it's my problem!!

To be specific, with my $1000 account I am able to buy or sell $10,000 worth of a currency, say the Eur/Usd for a margin of about $150.00. It has been my experience that the average trading range for a day is +/- $100 to $150. That means that with a margin of $150 I can make or lose $0 to $150 on any given day. On most days the actual amounts are less. Obviously one needs good trading skills to consistently make profits, but the small investor at least has a chance to make a decent return on his investment.

With proper money management, losses can be limited to small amounts. (see attached PDF file) For example a $1000 account that losses 2% of its value on every trade would draw down the $1000 to $500 after 35 consecutive losses. Obviously one needs to evaluate their trading system long before that happens and get help or quit trading. The point is, low margin is not the problem. It's proper trading skills, education and money management that is needed.

I my case, requiring a 10% margin requirement would not allow me to trade at all. I'm not sure what the proposed change is meant to accomplish, but I do know I will effectively be barred from trading under the proposal.

If I may make a suggestion as to a more logical and effective change you may want to consider the following.

1. For any Forex account opened with less that $10,000, require a basic online forex course that covers:
    a. How the forex market works
    b. How leverage affects the trading account
    c. How money management techniques should be used
    d. Disclose all the normal risk and other caveats in 12 pt. type.
    e. Have a 20-30 question test on each of parts a-d, with 75% passing required.
    f. Then have the paperwork for the account completed.
2. Don't make #1 complicated. Keep it simple. More public trading is better than only the big institutions and the wealthy.

That should keep the little guy properly informed and aware that he is responsible for the risk before he can trade.

If I have assumed wrong on what you are trying to accomplish, please advise me because if you implement the change, I will be adversely affected.

According, I ask that this change NOT be implemented. Please put me on a notice list as I want to keep current on this matter.

Sincerely,

Wilmer Carter
816-419-8006
wc@kcweb.net

In GOD WE TRUST

Number of successive losing trades before account is reduced to half of original value

Trade #	Starting Value	Less 2% loss	Ending Value	Max % loss/trade =	2
1	1000.00	20.00	980.00		
2	980.00	19.60	960.40		
3	960.40	19.21	941.19		
4	941.19	18.82	922.37		
5	922.37	18.45	903.92		
6	903.92	18.08	885.84		
7	885.84	17.72	868.13		
8	868.13	17.36	850.76		
9	850.76	17.02	833.75		
10	833.75	16.67	817.07		
11	817.07	16.34	800.73		
12	800.73	16.01	784.72		
13	784.72	15.69	769.02		
14	769.02	15.38	753.64		
15	753.64	15.07	738.57		
16	738.57	14.77	723.80		
17	723.80	14.48	709.32		
18	709.32	14.19	695.14		
19	695.14	13.90	681.23		
20	681.23	13.62	667.61		
21	667.61	13.35	654.26		
22	654.26	13.09	641.17		
23	641.17	12.82	628.35		
24	628.35	12.57	615.78		
25	615.78	12.32	603.46		
26	603.46	12.07	591.40		
27	591.40	11.83	579.57		
28	579.57	11.59	567.98		
29	567.98	11.36	556.62		
30	556.62	11.13	545.48		
31	545.48	10.91	534.57		
32	534.57	10.69	523.88		
33	523.88	10.48	513.41		
34	513.41	10.27	503.14		
35	503.14	10.06	493.07		

From: Dan Hess <dan@512-850-7800.com>
Sent: Tuesday, February 16, 2010 4:50 PM
To: secretary <secretary@CFTC.gov>
Subject: Forex Regulations

Hi,

I am against deleveraging the Forex trading for retail customers.

Retail customers didn't create the banking mess- corporate traders did.

I will vote for change if anything negatively impacts retail customers like myself.

Thanks,

Dan Hess
Austin, TX
512-850-7800

From: srharris@mindspring.com
Sent: Tuesday, February 16, 2010 5:12 PM
To: secretary <secretary@CFTC.gov>
Subject: Public Comment Form

Below is the result of your feedback form. It was submitted by (srharris@mindspring.com) on Tuesday, February 16, 2010 at 17:11:44
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commenter_subject: Retail Forex transaction leverage ratios

commenter_frdate: 3/22/2010

commenter_frpage: 75 FR 3281

commenter_comments: Please leave the retail forex transaction leverage ratios at 100:1.

When you consider that forex trades out to 4 decimal places, that international currencies have a very short history of going "bankrupt",and that the forex pairs are traded in relative value one to the other the actual percentage movement of one pair is relatively small compared to the actual potential movement of a NY stock exchange stock. Stocks post 9-11 dropped 25%. The currancy of the United States has never in my experience dropped 25% in a morning. Enron, WorldCom, AIG, and others have gone to nothing. What is the actual risk valuations there? The routine use of bracket OCO orders with their included stop loss in a market that does not close 5 days a week and present gaps like the NY stock exchange limits relative losses. I have lost much more in the "regular" market by large moves in price by an individual company and had no limit to how much exposure I had to that stock. I am much more comfortable with a trade in the EUR/USD than a trade in Apple. Who knows what those executives will say by the time the market opens tomorrow?

Please leave the current retail forex leverage ratios at the current levels.
Thank you,
Stephen Harris

commenter_name: Stephen Harris

commenter_withhold_address_on: ON

commenter_address1: 353 Montabello

commenter_city: Bloomingdale

commenter_state: IL

commenter_zip: 60108

commenter_phone: 6309801049

From: Frank Chapman <frank@dixieconverting.com>
Sent: Tuesday, February 16, 2010 5:49 PM
To: secretary <secretary@CFTC.gov>
Subject: Industry Filings: Comments on Industry Submissions: Retail Forex Transaction

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Subject: Forex leverage changes to 10:1 for retail traders.

I am opposed to any changes in the leverage rules, regarding retail forex.

I can control my own risk and leverage exposure though the use of micro, mini, or full contract size transactions and proper money management techniques.

I do not feel that the change in leverage regulation will protect retail traders from themselves. That situation is a question of trader competence, not leverage.

Respectfully submitted,

Frank Chapman

From: Juan Eizondo <papaney1@yaho.com>
Sent: Tuesday, February 16, 2010 7:02 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

Dear CFTC,

I am writing to comment on the new proposed regulations. In particular about the lowering of leverage from 100:1 to 10:1.

I am a retail forex trader that has used alot of leverage from domestic forex brokers and unregulated brokers in Cyprus. Overseas up to 500:1 is offered. Now why would anyone use such leverage? I don't really, I only like the fact that I can open a position with a set amount and not worry about complex computations especially when trading 3-7 currency pairs on minute charts. In reality I only use about 100:1 or less sometimes closer to 80:1 because I leave enough capital in my account to cover future positions and my open positions. I also use a domestic broker, Oanda, to make longer trades. They allow 50:1 leverage. I wish they had 100:1 because capital tied up in margin could be used to cover open positions.

Now I want to make a point that for the experienced trader even ZERO margin (INFINITE leverage) would be no problem as most have a very good grasp of how much capital they need to cover open positions.

I know the legislation is not aimed to protect experienced traders but the newbies that believe forex trading is a get rch quick scheme. I am positive it is this group that has complained to the CFTC, crying about how they lost all their money because they did not "understand" leverage even though 100% of legitimate domestic brokers clearly spell out the risks on the account opening page and elsewhere on their websites. Losers will lose their money with 1000:1 leverage or with 1:1 leverage. They only difference may be how quickly they lose it.

Does the CFTC want to live up to American principles of Justice? Wouldn't it let 99 guilty men go free rather than send one innocent man to jail? Why must 99% of traders who are happy with choosing their own leverage suffer because 1% lost their money (when most probably really understood that leveraged forex trading is risky and are now just sour graping)?

Thank you

Juan Eizondo
San Juan TX, 78589
papaney1@yaho.com

From: pdhick@brightok.net
Sent: Tuesday, February 16, 2010 7:20 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

I oppose the proposed regulation of the Retail Forex market. Please know that such proposed regulation appears only to benefit the large brokerage houses by eliminating access to individual investors such as myself. The Forex market does not need protection from the individual investor and I do not need protection from the market either.

The proposed changes would only make it harder for individuals to have the same rights to access trading avenues which should be our right to participate in at our own risk.

From: Researcher <researchers@me.com>
Sent: Tuesday, February 16, 2010 9:03 PM
To: secretary <secretary@CFTC.gov>
Subject: Proposed Forex rules...

People, look, your job is to protect people from crooks. You identify scams and criminal activity which help us to avoid being suckered by disreputable brokers, etc.

Your job is NOT to be my mommy.

Please keep your hands off margin requirements. You only would make it more difficult for the average person to make a living and you will effectively move many more millions offshore.

Already most traders have contacted offshore brokers to move accounts and continue trading if your silly margin rules go into effect. As with our family personally, we are even considering moving to another country if the Socialist / Fascist agenda continues here.

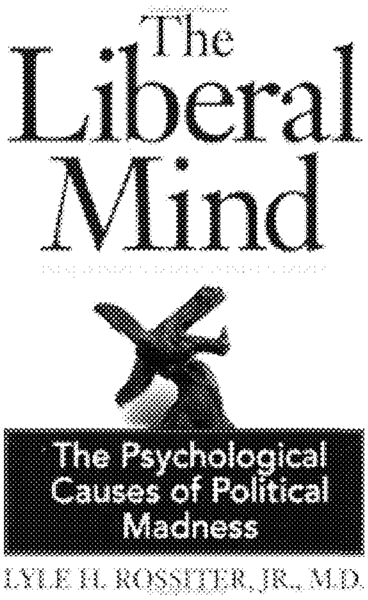
In the meantime know that I and all of my 200+ extended family (most in Massachusetts) have left the Democratic Party and registered as Independents and agree with the TEA Party principles of limited government, fiscal responsibility and our Constitutional freedoms.

Please stop your nonsense.

We demand you leave the margins alone and further demand that you allow FOREX to be traded in Individual Retirement Accounts.

Wayne

Veteran psychiatrist calls liberals mentally ill
Publishes extensive study on 'Psychological Causes of Political Madness'



– Just when liberals thought it was safe to start identifying themselves as such, an acclaimed, veteran psychiatrist Lyle H. Rossiter, Jr., M.D. is making the case that the ideology motivating them is actually a mental disorder.

"Based on strikingly irrational beliefs and emotions, modern liberals relentlessly undermine the most important principles on which our freedoms were founded," says Dr. Lyle Rossiter, author of the new book, "The Liberal Mind: The Psychological Causes of Political Madness. "Like spoiled, angry children, they rebel against the normal responsibilities of adulthood and demand that a parental government meet their needs from cradle to grave."

While political activists on the other side of the spectrum have made similar observations, Rossiter boasts professional credentials and a life virtually free of activism and links to "the vast right-wing conspiracy."

For more than 35 years he has diagnosed and treated more than 1,500 patients as a board-certified clinical psychiatrist and examined more than 2,700 civil and criminal cases as a board-certified forensic psychiatrist. He received his medical and psychiatric training at the University of Chicago.

Rossiter says the kind of liberalism being displayed by both Barack Obama and his Democratic primary opponent Hillary Clinton can only be understood as a psychological disorder.

"A social scientist who understands human nature will not dismiss the vital roles of free choice, voluntary cooperation and moral integrity – as liberals do," he says. "A political leader who understands human nature will not ignore individual differences in talent, drive, personal appeal and work ethic, and then try to impose economic and social equality on the population – as liberals do. And a legislator who understands human nature will not create an environment of rules which over-regulates and over-taxes the nation's citizens, corrupts their character and reduces them to wards of the state – as liberals do."

Dr. Rossiter says the liberal agenda preys on weakness and feelings of inferiority in the population by:

• creating and reinforcing perceptions of victimization;
• satisfying infantile claims to entitlement, indulgence and compensation;
• augmenting primitive feelings of envy;
• rejecting the sovereignty of the individual, subordinating him to the will of the government.

"The roots of liberalism – and its associated madness – can be clearly identified by understanding how children develop from infancy to adulthood and how distorted development produces the irrational beliefs of the liberal mind," he says. "When the modern liberal mind whines about imaginary victims, rages against imaginary villains and seeks above all else to run the lives of persons competent to run their own lives, the neurosis of the liberal mind becomes painfully obvious."

From: Miguel Rios <riosma8@msn.com>
Sent: Tuesday, February 16, 2010 10:24 PM
To: secretary <secretary@CFTC.gov>
Subject: "Regulation of Retail Forex" RIN 3038-AC61

i disagree with the CFTC proposal.

" As you think, so you shall become."

PIPS, ALL THE WAY ((Cowabunga!!))
Forex for Life.

www.fxpro.com

Miguel Rios... **@(239)440-7634**

From: Sunday Olaode <odetola@yahoo.com>
Sent: Tuesday, February 16, 2010 10:27 PM
To: secretary <secretary@CFTC.gov>
Subject: Regulation of Retail Forex

Dear Secretary,

While I have a strong supporter of ethical and fair business practices and the protections offered to traders through industry regulation. However, I do not support the CFTC proposal (Regulation of Off-Exchange Retail Foreign Exchange Transactions and Intermediaries).

I believe this proposal discourages beginners like me from developing and strengthening my trading style. It will also prevent investors like me from evaluating my own risks and making personal investing decisions.

The doors recently opened for retail investors like me to trade in this market; will effectively be closed through the proposed rules, once again making the forex market accessible only to financial institutions (big corporations).

The 10:1 leverage proposed, retail trader like me will be subject to a 10% margin requirement.

Please do not implement this proposal.

Sincerely,

Sunday Olaode
Retail trader

From: Byron Hazlett <saigonsam2@yahoo.com>
Sent: Tuesday, February 16, 2010 11:33 PM
To: secretary <secretary@CFTC.gov>
Subject: regulation of retail forex

We should have the freedom to chose our limit. This no different then someone buying stock.

Please do not enact rin3038-ac61, let us be free to chose.